

**CITY COUNCIL SPECIAL MEETING
MONDAY, DECEMBER 15, 2008**

A special meeting of City Council was held on the above date for purpose of overriding the Mayor's veto of Bill No. 75-2008 the 2009 General Fund Budget. Vaughn D. Spencer, President of Council, called the special meeting to order.

ATTENDANCE

Council President Spencer
Councilor Fuhs, District 1
Councilor Goodman-Hinnershitz, District 2
Councilor Sterner, District 3
Councilor Marmarou, District 4
Councilor Baez, District 5
Councilor Waltman, District 6
Mayor T. McMahon
City Auditor D. Cituk
City Solicitor C. Younger
City Clerk L. Kelleher
Managing Director Hottenstein
Deputy City Clerk M. Katzenmoyer

PUBLIC COMMENT

Council President Spencer announced that one citizen was registered to address Council on the General Fund Budget Ordinance. Council President Spencer reminded the citizen of the public comment rules.

Ernest Schlegel, of Pear Street, reminded the Mayor of statements he made earlier this year in the State of the City address. He stated that the Mayor described the decrease in crime and the increased sense of public safety in neighborhoods and in the downtown. He encouraged children to become involved in the City's recreation activities. He questioned how these statements relate to the Mayor's plan to eliminate the City's recreation program, close the libraries and eliminate an entire police platoon. He agreed with City Council's demand that the City begin focusing on collecting delinquent fees and taxes. He encouraged City Council to override the veto of the budget and force the Mayor and the Administration to get their house in order.

APPROVAL OF AGENDA

Council President Spencer asked Council to consider the agenda for this meeting. Councilors Fuhs and Goodman-Hinnershitz requested that the agenda be amended to include the introduction of an ordinance to raise the property tax levy by 5% and increase the Home Rule EIT rate by .2%. Council President Spencer inquired if any Councilor objected to the addition of these two ordinances.

Councilor Fuhs moved, seconded by Councilor Marmarou, to approve the agenda as amended. The motion was approved unanimously.

ORDINANCES FOR FINAL PASSAGE

Motion - Override Veto of Bill No. 75-2008 - establishing the 2009 General Fund Budget for the City of Reading including revenues and expenditures for the fiscal year beginning January 1, 2009 and ending December 31, 2009, with amendments. *Introduced at the October 1 Special Meeting, Public Hearing October 22, Enacted with amendments at the December 4 Special Meeting, Vetoed by the Mayor on December 12.*

Councilor Waltman moved, seconded by Councilor Marmarou, to override the veto of Bill No. 75-2008.

Councilor Waltman stated that City Council, over the past 10 weeks worked with the Administration and repeatedly requested that the Administration propose responsible amendments to the budget originally presented and introduced on October 1. However, the Administration refused to cooperate. He noted the Administration's misconception that the 4% reductions required by Council were to be applied to departmental operations alone. He expressed the belief that Council should not raise the property taxes and EIT as requested by the Mayor. He stated that bending at this point will not serve the Administration or the citizens well. He requested that City Council hold firm.

Councilor Marmarou inquired if the \$1 million in drug forfeiture money has been received. The Mayor responded affirmatively. Councilor Marmarou suggested that applying this \$1 million to the police budget in Vice overtime and to details such as Operation Nightlight would allow the Chief to reduce his expenditures by the requested 4%.

Councilor Goodman-Hinnershitz noted the lack of clarity on how the revenue adjustments will support City programs, operations and services. She stated that she will support the tax increases as they are needed to support City programs, operations and services.

Council President Spencer explained the motion to override the veto of the budget ordinance.

The motion to override Bill No. 75-2008 the General Fund Budget Ordinance was approved by the following vote:

Yea: Baez, Fuhs, Goodman-Hinnershitz, Marmarou, Sterner, Waltman, Spencer President – 7.

Nay: None - 0.

INTRODUCTION OF NEW ORDINANCES

Council President Spencer read the following Ordinances into the record:

Ordinance - to increase the City property tax levy by .011445 for the 2009 fiscal year. (Fuhs & Goodman-Hinnershitz)

Ordinance - to set to Home Rule EIT rate at .9%. (Fuhs & Goodman-Hinnershitz)

Action on these ordinances will occur at a special meeting scheduled for December 29, 2008.

RESOLUTIONS

Resolution - directing the Mayor to retain the services of an external auditor and a collection agency to collect delinquent taxes and fees (Marmarou)

Action on this resolution will occur at either the Regular Meeting on December 22 or the Special Meeting on December 29.

OTHER BUSINESS

Councilor Waltman described the Mayor's excessive lobbying of certain Councilors over the past weekend to encourage the increase of the real estate and EIT taxes. He stated that the two week layover will provide time for Council as a body to consider the tax increases requested by the Mayor. He stated that the Administration has moved the budget process farther off course than ever before. He stated that the Administration's promise to collect delinquent taxes and fees should have nothing to do with increasing taxes and adopting the budget, as the Administration should already be collecting these taxes and fees.

Councilor Marmarou thanked Councilor Waltman for his diligent work on the 2009 budget. He disagreed that the collection of taxes and fees are a part of the revenue portion of the budget.

Councilor Goodman-Hinnershitz noted the need for more discussions on the collection of fees and taxes, along with partnerships and efficiencies. She stated that Council and the Administration must discuss and define the core services and programs. She noted the continued lack of comment by the public on the budget and other important ordinances.

Councilor Sterner stated that the one-time financial fixes of the past are over. He noted Council's continued requests to the Administration to address operational and collections issues over the past years.

Council President Spencer stated that the Charter gives City Council control of the purse-strings and that Council should apply those controls when considering the enactment of the 2009 Full-Time Position Ordinance. He also agreed with the need to retain an external auditor to review and discover the problems with the City's collection of fees and taxes.

Council President Spencer reviewed Council's meeting schedule for the next two weeks.

Councilor Goodman-Hinnershitz moved, seconded by Councilor Baez, to adjourn the special meeting of Council.

Linda Kelleher, City Clerk

